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Border Environment Cooperation Commission

PROJECT CERTIFICATION CRITERIA AND PROCESS

BACKGROUND

The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are binational organizations created in 1993 by the governments of the United States and Mexico under a side agreement to the North American Free Trade Agreement (NAFTA). The purpose of the BECC is to help conserve, protect and enhance the environment of the U.S.-Mexico border region by evaluating, developing, certifying, implementing and overseeing environmental infrastructure projects that are presented by local, state, federal and private entities. The U.S.-Mexico border region is defined as the area in the United States that is within 100 kilometers of the international border between the United States and Mexico, and the area in Mexico that is within 300 kilometers of the international border between the United States and Mexico. Once certified by BECC, a project may qualify for funding from the NADB or from other sources requiring such certification.

In order to obtain certification from BECC, each project is developed in accordance with a set of criteria that are designed to be an important tool for promoting projects that foster comprehensive solutions to the environmental infrastructure problems faced by the border, through a single process that ensures uniform standards with regard to technical, environmental and financial viability, as well as public participation.

In developing the Certification Criteria, BECC took into consideration the Charter that establishes BECC and NADB (the Charter), the experience of other international organizations in charge of project development, and the characteristics of the priority projects on the border that BECC was to address. Additionally, the criteria considered the experience and information obtained through one of the broadest public consultation and deliberation processes ever conducted for the border, which included stakeholders from all three levels of government, non-governmental organizations, civil society and the private sector from both the United States and Mexico.

These criteria are adopted under the authority of the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperation Commission and a North American Development Bank, signed November 16 and 18,

1993 (the BECC/NADB Charter) and amended through Protocol of Amendment signed November 25 and 26, 2002, which entered into effect on August 6, 2004.

For more information please contact:

Border Environment Cooperation Commission
Blvd. Tomás Fernández #8069,
Fracc. Los Parques
Cd. Juárez, Chihuahua, México C. P. 32470
Tel. 011-52 (656) 688-4600;
Fax 011-52 (656) 625-6999
E-mail: becc@cocef.org ;
Home Page: <http://www.cocef.org>

Mailing Address in the U.S.

P.O. Box 221648
El Paso, Tx. 79913

For more information on the North American Development Bank please contact:

North American Development Bank
203 S. St. Mary's, Suite 300
San Antonio, TX 78205
Tel.: (210) 231-8000
Fax: (210) 231-6232
Home Page: www.nadb.org

I. Basic Eligibility

1. Project Type

Projects presented to BECC for certification and/or for project development assistance must clearly constitute an environmental infrastructure project, which is defined as a project that will “**prevent, control or reduce environmental pollutants or contaminants, improve the drinking water supply, or protect flora and fauna so as to improve human health, promote sustainable development, or contribute to a higher quality of life**” (Chapter V, Article 2 of the BECC/NADB Charter.)

Consistent with this definition, projects addressed by BECC include, but are not limited to the following sectors:

Core Sectors (Given priority by the BECC/NADB Charter)

- ❖ Water Pollution
- ❖ Wastewater Treatment
- ❖ Municipal Solid Waste
- ❖ Water Conservation
- ❖ Industrial and Hazardous Waste
- ❖ Domestic Water and Wastewater Hookups
- ❖ Recycling and Waste Reduction

Expanded Sectors

- ❖ Air Quality
- ❖ Clean and Efficient Energy
- ❖ Public Transportation
- ❖ Municipal Planning and Development, including Water Management

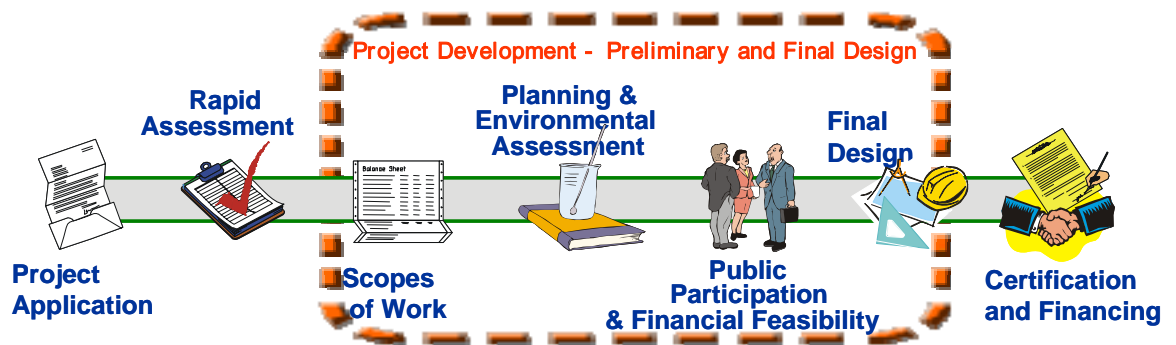
2. Project Location

Projects must be located in the U.S.-Mexico border region, which is defined by the BECC/NADB Charter as the area in the United States that is within 100 kilometers of the international border between the United States and Mexico, and the area in Mexico that is within 300 kilometers of the international border between the United States and Mexico. Projects located outside the border region may be addressed by BECC upon a decision by its Board of Directors that the project would remedy a transboundary environmental or health problem.

II. Project Development Process

BECC and NADB have developed a parallel, coordinated project development, certification and financing approval process. This process is intended to save the project sponsor time and effort, because the two institutions share information and coordinate activities. BECC leads efforts related to “project development,”

during which tasks needed to accomplish legal, technical, environmental, and financial feasibility are completed, including public participation efforts. In general, the process includes the tasks displayed in the following flow diagram:



The following further describes each element of the project development process shown above:

1. Project Application

a) General

All project sponsors must submit a formal application for their projects. A Project Application form can be accessed through BECC’s homepage at www.cocef.org, or can be requested directly from BECC. Applications should contain as much detail as possible on the technical, environmental and financial aspects of the project. BECC will review the application in order to determine whether the project meets the basic eligibility requirements, as described above. Upon acceptance of a project by BECC, the project will be submitted to a rapid assessment process (RAP). The acceptance of an application does not guarantee certification.

b) Confidentiality

Project sponsors may request that certain technical, financial or commercial information related to their project be designated as confidential for purposes of the certification process. Such requests will be addressed by BECC in accordance with its “Procedures regarding Disclosure of Information and Confidentiality” and shall be submitted with the Project Application. The procedures can be accessed via the BECC website at www.cocef.org.

c) Drinking Water and Wastewater Projects (EPA Grant Funds)

A unique application process exists for public-sector sponsored drinking water and wastewater projects, located within 100 km north or south of the US-Mexico border and which will result in a US-side benefit.¹ These projects may be eligible for grant funding through the Project Development Assistance Program (PDAP), administered by BECC, and the Border Environment Infrastructure Fund (BEIF), administered by NADB, both of which are funded through the US Environmental Protection Agency's (EPA) Border Infrastructure Program. Eligible projects are prioritized for funding assistance through a methodology established to ascertain which drinking water and wastewater projects have the most urgent need and will address the most severe public health and environmental conditions in the border area.

The BEIF/PDAP Prioritization Process Project Application form, prioritization criteria and methodology and related documents can be accessed via the BECC website at www.cocef.org. The prioritization process is typically carried out in two-year cycles, initiating in 2004, and is subject to funding availability. Information related to application deadlines and process announcements are also available on the BECC website.

2. Rapid Assessment Process (RAP)

The purpose of the RAP is to orient the project sponsor to the BECC/NADB process; to perform an initial due-diligence through a systematic approach; to develop an effective work plan to complete project development, certification and financing approval; and to coordinate with interested funding and regulatory agencies at an early stage. The process concludes with the development of a project strategic plan and schedule, which will identify actions required for the project's advancement in the process, including technical assistance needs, as well as any obstacles and the measures for resolving them.

3. Technical Services and Assistance

BECC is committed to assisting every project in its advancement toward certification. This support is provided through technical services and/or technical assistance grants, as described below.

a) Technical Services

¹ To be eligible for BEIF or PDAP, projects, both in the U.S. and in Mexico, must propose to address existing conditions that if improved will have a positive impact to the health and environment in the U.S. For additional information on funding eligibility, visit the BECC or NADB websites.

With its strong project development experience and partnerships, BECC offers technical services to guide the project sponsor through the process and facilitates coordination with government agencies at the federal, state and local levels to ensure that projects comply with the requirements and standards of each regulatory and funding agency. A specialized project development team which includes expertise in project management, engineering, public participation, quality control and contract management is assigned to each project. This multi-disciplinary group has the experience to help a project with a wide range of needs, including:

- Project Scoping
- Project Development
- Project Coordination
- Environmental Clearance
- Procurement Services
- Strategic Planning
- Technical Reviews
- Public Outreach and Consensus Building Activities
- Sustainable Development Efforts

b) Technical Assistance Funds

A project's specific technical assistance needs are identified through the RAP and a determination of the availability and appropriateness of funds will be made at that time. BECC has a limited amount of technical assistance funds available from its operating budget to support activities required to achieve project development and certification. In addition, BECC manages the Project Development Assistance Program (PDAP), which is funded by the U.S. Environmental Protection Agency and is designed to support the development of water and wastewater projects identified as priorities in the BEIF/PDAP prioritization process described under Section II.2. above. Because such funds are limited, BECC may assist a project sponsor to access other programs that offer similar assistance.

The project development tasks for which the BECC technical assistance is intended to support include, but are not limited to:

- Planning Studies
- Facility Plans
- Environmental Impact Studies
- Public Participation Activities
- Final Design, including value engineering

4. Project Development: Preliminary Engineering and Final Design

Project development requirements are determined on a project-by-project basis, taking into account industry standards, regulatory or funding-source requirements and specific project sponsor needs. Project development activities may include but are not limited to:

- Facility Plans
- Environmental Impact Studies
- Design Criteria
- Public Participation
- Final Design
- Value engineering
- Plans and Specifications
- Final Construction/O&M Costs
- Financial and Legal Analysis
- Financial Structure
- Revenue Source Changes
- Financing Agreements

Completed project development activities will be accepted whenever possible.

Any efforts specifically required to meet certification or financing approval are intended to occur during and with project development activities. Projects may be submitted to BECC at varying levels of development, from concept to final design. The time and activities required to reach certification “readiness” is directly related to the current status and pending tasks of project development. To achieve certification “readiness”, a project must have completed activities to satisfy the minimum requirements of the Certification Criteria such as environmental clearance, public participation, secured funding sources and be developed at a technical level where the cost-confidence is sufficient to determine adequate financing needs. At this stage, the project shall be ready to initiate construction within a reasonable period after certification.

5. Certification Process

When necessary project development tasks are complete, a project is ready to be considered for certification and financing approval. The BECC Project Manager develops a project certification document (PCD) in coordination with the NADB and based on information provided by the project sponsor. The PCD provides a summary of the project, the activities and project elements which satisfy the criteria requirements, as described below, and a recommendation for project certification. Subsequently the BECC releases the PCD for a public comment period prior to submitting the project to the BECC/NADB Board of Directors for concurrent consideration of certification and NADB financing approval.

For projects sponsored exclusively by the private sector, a Certification Fee will be applied. The amount of the fee will be determined during the RAP and shall be based on a formula that reflects the size and complexity of the project and the material and human resources required from BECC for the certification process.

III. Certification Criteria

The certification process is intended to be as simple and expeditious as possible. Projects must meet the intent of each criterion listed below and provide the information or documentation appropriate to evidence that compliance. Demonstrating compliance with the criteria ordinarily does not require any special efforts, as it primarily involves information or documentation that should be readily available as result of development activities of the project. Furthermore, requirements in the criteria may vary based on the type, size and complexity of a project.

1. General

The intent of the *General* criterion is to define the project and establish eligibility. To accomplish this intent, a project is required to satisfy the following:

a) Project Type

The project must fall under one of the eligible project sectors listed under Section I, above. The sponsor must provide a brief description supporting how the project complies with one of the described eligible sectors.

b) Project Category

The sponsor must provide a brief description to confirm an appropriate designation of project category in accordance with one of the following:

Community Environmental Infrastructure Projects - Community-wide Impact. This category includes all projects that address an environmental infrastructure need of a community or improve the environmental efficiencies of public facilities or equipment. These projects have varying financial impacts on the corresponding community which may be established through new or adjusted fees, rates or use of publicly-generated revenues. These projects may be sponsored by public-sector, private-sector or public-private partnerships.

Private-sector Environmental Infrastructure -- Exclusive Impact. This category includes projects that intend to provide an environmental service or make improvements to the environmental efficiencies of facilities, equipment or processes of the private-sector sponsor. The impact of these projects is generally exclusive to the facilities, processes or services of the

sponsor, although an indirect benefit for the community may exist. These projects will not require increased revenue generation to be supported by the community-at-large for project implementation or operation and maintenance.

c) Project Location and Community Profile

The project must be located within the border region, as defined in Section I, above. A description of the geographical location shall be provided, along with a map depicting the project location in relation to the border. In addition, the project sponsor shall provide information that establishes the general profile of the community. This information shall include but not be limited to: demographic data (population, population growth rates, median incomes, etc); existing availability of environmental services (drinking water, wastewater and solid waste); the percentage of paved roads; and any other important information that describes the community.

d) Legal Authority

Project sponsors shall demonstrate the legal authority to develop the project and/or provide the proposed services. For this purpose, the sponsor must provide documentation such as, but not limited to: an attorney's opinion, official state designation, charter, articles of incorporation or other. Additionally, the project's conformance to any applicable international treaties and agreements must be documented.

e) Project Summary

Information on the proposed project shall include:

i. Project Description: The sponsor shall provide a description of the scope of the project, including project elements that will be implemented with the proposed financing. For example, provide the treatment technology and capacity for drinking water or wastewater treatment projects; the number of new connections, size and lengths of pipe, number of pump/lift stations, and the reserve capacity needs for water distribution or wastewater collection systems; collection equipment recommendations, transfer station elements or landfill capacity for solid waste projects; the quantity of materials and construction method for air quality/street paving projects; and/or the technology and construction plan for renewable energy projects, as applicable.

ii. Project Map: The project sponsor shall provide a project map, indicating the project details, such as the existing and proposed facilities, site layout, or other information that will visually reflect the project.

iii. Project Justification: The project sponsor shall describe why the project is necessary including a description of the existing conditions/problems proposed to be addressed by the project and a **general description** of the human health and environmental impacts anticipated by the project. Additionally, the urgency of the project or consequences of not implementing the project shall be provided.

2. Human Health and Environment

All projects must prevent, control or reduce environmental pollutants or contaminants, improve the drinking water supply, or protect flora and fauna so as to improve human health, promote sustainable development, or contribute to a higher quality of life. The intent of the *Human Health and Environment* criterion is to establish the human health and environmental needs to be addressed by the proposed project and to verify compliance with applicable environmental laws and regulations. To accomplish this intent, a project is required to satisfy the following:

a) Compliance with Applicable Environmental Laws and Regulations

In accordance with Chapter I, Article II, Section 3 of the Charter, “to be eligible for certification, a project shall observe or be capable of observing the environmental or other laws of the place where it is to be located or executed.” Project sponsors must clearly identify all local, state, and federal environmental and cultural resource (i.e. historical, archeological, and ethnic resources) requirements applicable to the project and necessary to achieve regulatory or funding authorizations. Additionally, the project sponsor must demonstrate the project’s compliance or ability to comply with all such regulatory requirements. Documentation such as regulatory agency findings or rulings, project authorizations, or a description of compliance activities and the status of satisfying compliance requirements may be provided. The BECC is not a regulatory agency and will not require any additional permits or regulatory authorizations.

b) Human Health and Environmental Impacts

All projects must address a human health and environmental need in the border region. In doing so, projects must evaluate and document human health and environmental impacts. The

impacts may be direct or in-direct and may vary in their level of effect. The following are specific requirements related to each, human health and the environment:

Human Health Impacts. The anticipated direct or in-direct human health benefits or mitigated risks to human health for the proposed project shall be described. If available, health statistics, baseline data, or information compiled on critical human health issues for the affected population should be provided. Human health data or results established for other projects of a similar nature, condition, or location may be referenced to support the anticipated impacts of the project.

Environmental Impacts. The anticipated direct or in-direct environmental benefits or mitigated risks to the environment for the proposed project shall be described. The description shall also include any environmental impacts, positive or negative, along with actions taken to mitigate any negative impacts. Environmental data or results established for other projects of a similar nature, condition, or location may be referenced to support the anticipated impacts of the project

Transboundary Impacts. For projects likely to have a significant transboundary environmental effect, the sponsor must describe the possible effects in each country, including the environmental and/or human health benefits and risks of the project. The need for requesting bi-national consultation on the project will be determined by the sponsor, in coordination with BECC.

Formal Environmental Clearance. For projects requiring an environmental clearance process under applicable laws and regulations, such as the US National Environmental Policy Act (NEPA), the BECC may assist the sponsor in coordinating the process with the applicable agencies. The sponsor must provide BECC with copies of all documents prepared in fulfillment of such requirement as well as any formal rulings, findings or authorizations.

3. Technical Feasibility

The intent of the *Technical Feasibility* criterion is precisely to ensure that the project is technically feasible. Typically, technical feasibility

is demonstrated by performing an analysis for technology selection, incorporating accepted industry design standards and ensuring that the selected technology matches the project sponsor's capacity to implement, operate and maintain the project. The project sponsor shall address each of the following conditions of technical feasibility:

a) Technical Aspects

Project sponsors shall utilize technologies that are appropriately matched to the ability of the project sponsor to manage the system without creating a dependency on high levels of resource inputs from outside of the community. In addition, projects shall be designed to be constructed, operated and maintained in a cost-effective manner, consistent with all applicable design standards and requirements. Project sponsors shall provide the following:

i. Project Development Requirements

The project sponsor shall provide documentation related to the technical development of the proposed project, such as the engineering design and applicable design criteria. The level of technical development required for each project may vary and is dependent on the appropriate level of development to sufficiently determine the environmental impacts and financing needs of the project. For example, a drinking water or wastewater project requesting funding from the Border Environment Infrastructure Fund must complete 100% final design prior to certification consideration. For projects such as a multi-year street paving project where the general design will not vary for each paving phase, the project sponsor may be required to provide the paving design for the first year of planned construction

ii. Appropriate Technology

To demonstrate the use of appropriate technologies for the project, the project sponsor shall describe the selected technology and the methodology used to select the technology, such as an alternative analysis that includes the evaluation and selection criteria; a discussion of the implications of the no-action alternative; an evaluation of industry standards or best practices; or a review of the similar application of the selected technology. Emphasis should be placed on appropriateness to the community, industry or sponsor's institutional capacity.

iii. Land Acquisition and Rights-of-Way Requirements

Project sponsors shall provide documentation of land and right-of-way acquisition or demonstrate the ability to acquire the necessary property or permissions in a timely manner to implement as well as operate and maintain the project. Documentation such as property deeds, contracts for sale, eminent domain authority or other shall be provided.

iv. Work Tasks and Schedule

A brief description and schedule of pending project development activities, if applicable, and proposed work tasks required to implement the project must be provided by the project sponsor.

b) Management and Operations

The project sponsor must demonstrate the capacity to implement the project as well as operate and maintain the environmental infrastructure.

i. Project Management

The project sponsor shall describe the dedicated resources, internal and/or external, for managing the implementation of the proposed project, including the experience of the human resources in construction management as well as site and project supervision. Additionally, the project sponsor shall describe its commitment to complying with all applicable laws and regulations for construction of the project.

ii. Operation and Maintenance

The project sponsor shall describe the following:

- a. Organization – Provide an organization chart. Identify positions requiring specialized training or certifications related to operating or maintaining the proposed project. The project sponsor may provide billing and collection system information, energy or water conservation plans, or any other relative information to establish the institutional capacity of the sponsor.
- b. Operations and Maintenance – Provide a description of the major operation elements as well as regulatory and reporting requirements. The project sponsor shall commit to developing an appropriate operations and maintenance plan and describe the anticipated schedule for completing this task prior to project close-out. The project sponsor shall identify the need and describe the schedule for developing other

operational plans for activities such as start-up, emergency response, quality assurance, safety, pollution prevention and/or facility closure or post-closure, as applicable.

- c. Permits, licenses, and other regulatory requirements – List the applicable permits, licenses, and other regulatory requirements specific to the operations of the proposed project and describe the status of acquiring said authorizations. For example, describe the status of acquiring the effluent discharge permit for the proposed wastewater treatment facility or provide the licensing agreement for the technology proposed to be installed to improve the contaminant emissions produced in the facility's production process. Provide copies of any available documents.

4. Financial Feasibility

The intent of the *Financial Feasibility* criterion is to determine the financial resources needed to implement the project, to operate and maintain the resulting infrastructure and to meet debt and reserve obligations for the short- and long-term. For projects requesting funding from the NADB, the appropriate financial studies and analyses will be carried out by NADB, in accordance with its own criteria, procedures and guidelines. Specific information regarding the NADB funding programs are available on their website, www.nadb.org. Consistent with NADB's requirements, following is a general overview of the financial requirements a project may need to achieve BECC certification.

a) Demonstrating Financial Feasibility.

Revenues from project operations or from other sources must be sufficient to cover debt amortization, as well as operations and maintenance costs, with an appropriate safety margin. The proposed revenue generation model shall produce the cash-flow to adequately support the costs. The information presented for consideration of project certification may include the following, as appropriate and in accordance with any confidentiality agreements:

a. Financial Conditions

A general description of the findings of any financial analysis shall be provided in the certification document. To complete this analysis, the project sponsor shall have available general information such as customer, market or industry information that may impact the financial elements of the project including

the population served, households served, number of accounts/customer type, water and wastewater flows and market demographics. Additionally, historic year-end operation and maintenance expense and revenue data, audited financial statements and historic and existing rate/fee structure may be needed to complete the appropriate financial analysis. Finally, financial projections and the respective assumptions will be needed to determine financial feasibility.

b. Project Costs, Funding Structure and Other CIP

The project sponsor shall provide the estimated project costs (including any phasing) and the proposed funding structure. In addition, the project sponsor shall describe any significant operation and maintenance impacts or other capital improvement plans which may impact the financial feasibility of the proposed project.

c. Dedicated Revenue Source

Describe the revenue source dedicated to the sustainability of the project, including satisfying reserve requirements and debt service. If an increase in revenue generation is required to obtain financial feasibility, describe the proposed revenue generation structure (i.e. proposed rate/fee structure, retail price, etc.) and describe how the modifications will be implemented such as a transitional rate increase or other.

b) Legal Considerations

The project sponsor shall describe the intended borrower/recipient of the project financing, its authority to accept funding (i.e. loan obligations), status of all financing agreements, as well as the revenue source modification/authorization process and its status.

5. Public Participation

The intent of the *Public Participation* criterion is to make appropriate project information accessible to the public through formal and informal activities. Public participation encourages an interactive relationship between the project sponsor and those impacted by the project, where project information is made available and the public is given a reasonable opportunity to provide comments. The BECC's role is to guide the project sponsor to design a suitable public participation process for their project.

The level of effort required for public participation may vary and is determined based on the anticipated environmental and community

impacts of the project. During the RAP, BECC will determine the minimum requirements to be complied with by the project sponsor, based on the public participation activities described below for each project category, as determined in the *General* criterion:

**a) Community Environmental Infrastructure –
Community-wide Impact**

For this project category, the project sponsor, in coordination with BECC, shall develop and implement a Public Participation Plan intended to promote community-based support for the project. This plan will be designed taking into account the characteristics of the project and the specific needs of the community where the project will be located. Implementation of the public participation activities will include the following:

i. Local Steering Committee.

The project sponsor shall form a local steering committee or use an existing one. The purpose of the Steering Committee is to assist with the development and implementation of the Public Participation Plan. The project sponsor should consider diverse representation for the Steering Committee which could include public officials and representatives from civic, academic, non-governmental and business organizations. The Steering Committee, in coordination with the project sponsor, will be responsible for carrying out activities related to disseminating information about the project, conducting public and local organization meetings and developing media outreach strategies.

ii. Public Access to Information.

The project sponsor must ensure availability of appropriate project information to any interested party. Access to information may be accomplished through several activities; however, the following minimum requirements must be met:

- a. **Public Notice.** The project sponsor, in coordination with the Steering Committee, shall determine the most appropriate locations to post any public notices about the proposed project. A public notice to announce a public meeting must be published through the local press and other media. The notices posted for the public meetings will include the place and schedule for any interested party to consult project information (i.e. engineering reports, environmental documents, fact

sheets, etc.). For at least one public meeting, the notice must be posted at least 30 days prior to the meeting. If the project will affect more than one community, notice of a public meetings must be given in all affected communities

- b. Additional Outreach Activities.** The project sponsor, in coordination with the Steering Committee, shall determine other activities that may be carried out to inform the community of the project and encourage community participation. These additional activities may include but are not limited to the following: Development and dissemination of a project fact sheet or summary; Conduct meetings with local organizations (i.e. business, civic, community, neighborhood, academic, environmental) affected by the project; Request bi-national consultation, as appropriate, or Develop and implement project surveys to record public concerns or commitment to the project.

Additional outreach activities are often very effective for accomplishing public participation goals for a project. An extensive implementation of these activities may be approved as an appropriate alternative to conducting additional public meetings, as may be required for some projects. The BECC will assist the project sponsor and Steering Committee to determine the best strategy for their project and community.

- c. Public Meetings.** A minimum of one public meeting in the community where the project will be located is generally required in order to present information regarding the technical, environmental and financial aspects of the project, as well as to address any comments by the public. BECC may require more than one public meeting or a more extensive implementation of additional outreach activities may be necessary to first establish the community awareness of the technical and environmental aspects of the project and later, to inform the public of the final technical and financial aspects of the project.

Alternative formats for public meetings may be considered such as regular meetings of the sponsor or an “open house”. Regional projects may also require multiple meetings. If the sponsor has

conducted public meetings pursuant to laws and regulations applicable to the project, such meetings may be considered as satisfying the basic requirements described in the paragraph above.

The project sponsor shall record minutes for any public meeting to include names of the participants, comments received, and results of any surveys that may have been conducted as part of the meeting.

iii. Final Public Participation Report

BECC staff, in coordination with the project sponsor and Steering Committee, will prepare a written report describing the activities carried out as part of the public participation plan, as well as documenting community opinion for the project. The minutes of the Steering Committee formation meeting shall be included in the report. As applicable, the report shall also contain samples of public notices, samples of project information provided, minutes of the public meetings, as well as results from any additional outreach activities (i.e. surveys, local organization meetings) conducted for the project.

iv. Post-Certification Public Participation Efforts

The project sponsor in coordination with the Steering Committee shall provide a general description of public participation activities that may be conducted after project certification to support the implementation and long-term sustainability of the certified project. Greater public awareness for protection of the environment and human health is intended to help establish a priority for further investment in necessary environmental infrastructure and encourage community residents to provide individual contributions to accomplish this goal.

b) Private-Sector Environmental Infrastructure – Exclusive Impact.

For this project category, the *General Public Comment Period*, as described below, shall apply as a minimum requirement to satisfy this criterion. If the project sponsor is required to conduct public meetings pursuant to laws and regulations applicable to the project, such meetings will be considered as additional efforts to comply with the *Public Participation* criterion. The BECC staff, in coordination with the project sponsor, will prepare a written report describing any activities carried out for the project.

BECC encourages all project sponsors to incorporate public participation and awareness, as appropriate, in their project development activities and will assist project sponsors with the implementation of any such efforts. The success and long-term sustainability of a project may be improved with additional public outreach activities conducted voluntarily by a project sponsor. For example, in a project which has a specific potential impact, the implementation of outreach activities focused on assuring the dissemination of accurate project information and providing an opportunity for input to targeted audiences or special interest groups may prevent future obstacles from being encountered by a project. The advantages of potential public outreach efforts may be discussed during the RAP.

c) General Public Comment Period.

BECC will release the PCD for a public comment period prior to the date on which the BECC/NADB Board of Directors is to consider certification of the project. In accordance with its procedures, public notice will be provided by appropriate means, including but not limited to: BECCNet, BECC website, as well as the local media where the project is located. During this period any interested party may request information about the project and provide comments to BECC.

6. Sustainable Development

The Charter recognizes the importance of promoting and achieving sustainable development for the well-being of present and future generations. Consistent with the Charter, the intent of the *Sustainable Development* criterion is to recognize sustainable development activities accomplished by the project sponsor inherent to the project's development. BECC achieves a practical approach to sustainable development with a series of minimum sustainable development requirements aimed at ensuring the most efficient and long-term solution to an existing environmental problem. Sustainable Development addresses aspects such as institutional capacity building, operation and maintenance and elimination of risks that can threaten the long-term viability of a project. Activities required to comply with this criterion are primarily carried out under the preceding five certification criteria. BECC staff will assist sponsors in complying with the sustainable development requirements that are applicable to their projects. In general, sustainable development requirements relate to the following categories:

a) Institutional and Human Capacity Building

In general, the project sponsor shall describe the existing ability or have a plan to strengthen their ability for long-term

support and maintenance of the project, including measures to build human and institutional capacity. The project sponsor may refer to the information provided in the *Technical Feasibility* criterion to further demonstrate compliance with this sustainable development requirement.

b) Conformance with Applicable Local, State, and Regional Laws and Regulations and Conservation and Development Plans

The project sponsor shall describe how the project complies with local and regional plans, as well as land use and urban development zoning regulations, applicable in the area where the project is located. The project sponsor may refer to the information provided in the *Environment and Human Health and Technical Feasibility* criteria. Documentation to evidence conformance shall be submitted by the sponsor.

c) Natural Resource Conservation

Project sponsors must strive to achieve a reasonable degree of natural resource conservation, especially in the areas of water use reduction, water use efficiency, and reuse for water-related projects; waste reduction, reuse, and recycling, for projects related to solid waste management; and energy efficiency or diversification for all projects. The implementation of green building practices is one specific action that may support the project to satisfy this requirement. The project sponsor may refer to the information provided in the *Environment and Human Health and Technical Feasibility* criteria.

d) Community Development

The project sponsor shall describe how the project fosters community development. Indicate positive and negative social impacts, including economic effects, of the proposed project on the community. Include a discussion of long term effects on socioeconomic development strategies and the quality of life. The project sponsor may refer to the information provided in the *Environment and Human Health, Technical Feasibility, Financial Feasibility and Public Participation* criteria.

IV. Programmatic Certification

Programmatic certification requires grouping a set of projects or programs based on the technical, environmental and financial compatibility of their components. Programmatic Certification shall be carried out in accordance with the regular certification process, which includes the following phases: Project Application; Rapid Assessment Process (RAP); Project Development including planning, environmental assessment, public participation, financial assessment, and final design (if applicable); Project Certification Document; General Public Comment Period and concurrent Certification and financing

approval. In each step of the process, the components of the project or program will be addressed in a parallel fashion, thus allowing for greater efficiency in complying with the certification criteria.

Programmatic Certification entails bundling several projects with similar conditions, technologies and objectives, to be developed in a parallel manner. In order for a Programmatic Certification to be viable, the specific actions and phases of the program must be identified, and the technical, environmental, financial and public participation requirements must have been met pursuant to BECC's Certification Criteria and in accordance with the requirements for NADB financing approval. BECC will give preference to projects or programs related to infrastructure in the areas of water, wastewater and municipal solid waste.

To request a Programmatic Certification, the project sponsor(s) shall submit a formal request for consideration to BECC describing the program or related projects and a justification for this unique certification opportunity.